GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:3184
ANSWERED ON:07.12.2007
IMPROVING CUSTOMER SERVICE IN BANKS
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Will the Minister of FINANCE be pleased to state:

(a) whether there is a review mechanism in banks for customer`s dissatisfaction;

(b) if so, the details thereof;

(c) whether the Government is planning to make changes in existing mechanism; and

(d) if so, the details thereof?

Answer

THE MINISTER OF STATE EM THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a) to (d): Indian Banks` Association has advised all the member Banks to ensure that:

(i) A suitable mechanism is set up for receiving and addressing complaints Irani its customers/ constiti.ents with specific emphasis on resolving such complaints fairly and expeditiously regardless of the source of the complaints.

(ii) A time frame is fixed for resolving the complaints received at different levels.

(iii) To enhance the effectiveness of the redressal machinery, the names of the officials who can be contacted for r;dressal of complaints be prominently displayed at the branches, together with their direct telephone number, fax number, complete address (not Post Box No.) and e-mail address etc. for proper and timely contact by the customers.

(iv) Banks give wide publicity to the grievance redressal machinery through advertisements and also by placing thorn on their web sites.

(v) Redressal of complaints emanating from rural areas and those relating to financial assistance to Priority Sector ind Government Poverty Alleviation Programmes should also form part of the above process.
Further, in order to encourage a formal channel of communication between the customers and the bank at the `branch level`, banks have been advised 1o take necessary steps for strengthening the branch level customer service committees with greater involvement of customers.Banking Ombudsman Scheme is in operation since 1995. Banking Ombudsman is an independent body with powers to settle disputes quickly and inexpensively. Any customer whose grievance relating to certain services rendered by the bank has not been resolved by bank to his satisfaction ca.n approach the concerned Banking Ombudsman.The Banking Ombudsman Scheme, 2002 provided appeal option (termed as `review`) to banks against the decisions of Banking Ombudsmen. However, the option was also extended to the complainants in the Banking Ombudsman Scheme, 2006. As per the subsequent amendment made to the Banking Ombudsman Scheme, 2006 on May 24, 2007, the bank customers can also appeal against the decision of the Banking Ombudsman where he has rejected customer`s complaint for the reasons referred: to in the amended clause (13) of the Banking Ombudsman Scheme, 2006.